Town of Montgomery Industrial Development Agency Meeting Minutes

Town Government Center

110 Bracken Road

Montgomery, NY 12549

September 12, 2022

1:00 PM

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**PRESENT: ABSENT:**

Jeffrey Crist - Chairman J. Thomas Jones - Second Vice Chair

Felicia Kalan – Executive Director Bob Santo - Board Member

Billy Ibberson – Livestream Services (Acquisitions Marketing)

George DeClue – Board Member

Meghan Hurlburt – Secretary (Working Remote)

John Dickson – First Vice Chairman

Matt Stoddard – Treasurer

Ashley Torre - Counsel

NOTE: Conference Call Line – No Calls

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**AGENDA**

1. Call to Order and Declaration of Quorum
2. Approval of the August 16, 2022 Meeting Minutes (Tabled – In process of completion)
3. Public Comment on Items on the Agenda
4. New Projects – Milk Factory, LLC – Introduction and Overview
5. KCE NY2, LLC – Discussion and Consideration of Public Resolution
6. Executive Director Report
7. Financial Report Update as of August 31, 2022
8. Other Business – 2022 Economic Development Summit, Board and Staff Training Day by EDC and Orange County Board of Ethics 2021 Disclosure Forms
9. Adjournment
10. Next Meeting Scheduled for Tuesday, October 11, 2022 at 1:00 PM

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**Meeting**

1 - Chairman Jeff Crist began with the introduction of Board Members and Executive Director and other members in attendance.

2 – Chairman Crist – Approval of August 16, 2022 meeting minutes – Tabled until next meeting as they are still being transcribed.

3 – Public Comment – No public comment. Moving on to project introduction for the Milk Factory we got a few days ago. Noah is here to answer questions on that application, thank you for getting that in to us.

4/5 – Discussion of New Projects – Chairman Crist – I think you need to use the microphone so we can hear you on the livestream.

Noah Bobrowsky **-** Thank you for working with us and being flexible on getting the application. We're introducing the milk factory project, which, you may or may not have heard about, we've been working with the town planning board last year and various state agencies like ESD in pursuing some public grants, and then the final piece to all this is collaborating working with the local IDA which we've been in discussions with numbers for roughly 3 months and since the inception of the project. So, the milk factory as a whole, is really a hotel with a few ancillary features including restaurants, a functioning distillery, private event space, space for weddings, pool, gym, spa and then of course you know the remainder of the grounds which we largely plan on preserving natural environment for guests to enjoy. It’s located at the old Borden Dairy Condenser. There was a fire and 25 years post the fire the buildings have just sat there and we were fortunate to come across the owner who had purchased it for warehouse in storage and we were able to convince him that we had a different vision that might be more suitable for those beautiful historic buildings. So, at the core of the design, it’s really preserving the historic structure that stands there now and you end of see in a rendering of this is all existing, all the brick is all currently existing and then we plan to add some modern elements to just differentiate. We will have a museum on the property that's dedicated that will feature history of Wallkill and Town of Walden as they had a large influence in the history. We will also have a co-working gallery space so in other the idea of this property although it's mainly lodging and hospitality it’s also for members of the community to be able to come and enjoy, work there and use the gym and the facilities you know we don't intend this private property just for guests to enjoy so we really want to bring peace and again we felt the best use of the space is a hotel concept with different amenities.

Chairman Crist**-** Excellent. Any questions?

Bob Santo**-** How many rooms will you have?

Noah Bobrowsky**-** 43 rooms that will be for sale and there are a few staff housing rooms just so you know, for certain staff members, and we have we have a few rooms that we call suites that are designed around an extended-stay concept, let's say like an Airbnb type concept but that's all part of the hotel.

Matt Stoddard**-** The old brick veneer that's out there, a hundred percent is staying?

Noah Bobrowsky **-** As much as we can keep.

Matt Stoddard**-** You’ve been engineering that of course because the walls are weak?

Noah Bobrowsky- Yeah that front section of the building that you see when you drive by that wall has collapsed so we are currently stabilizing it for a safe work environment.

Okay, so phase one focuses on this section of buildings right here that holds the restaurant that holds the main bar and distillery in addition to all that you know there's no infrastructure currently there at the site which is one of the biggest lists of the property so we know we have to do all new water, all new electric, plumbing, sewage, etc. You know all that's really from scratch, so, in addition to that phase one component we're doing all the infrastructure and then we also have the wind manufacturing component which will sit in a separate building on the property that will also include a 5,000 square foot of dry storage and then all of the parking and roadways and access ways.

John Dickson **-** Are you planning on having live music?

Noah Bobrowsky- No, in the warmer months we will use it as a tent wedding venue, it would be for weddings what should be a temporary tent that would be put up in the warm months 6 months out of the year and then we take the tent down and it just be the foundation.

Chairman Crist**-** Certainly a sizeable project estimated cost of 26 and a half million dollars yeah I think one of the neat things is this is obviously a historic site but it's been in disrepair for as long as I can remember which is quite a long time and I think it might be the first adaptive reuse policy project in our UTEP policy, and many positive community benefits between jobs and bringing this historic site back to life.

Noah Bobrowsky**-** yes lots of hospitality jobs and specialized trades like the distillery a lot of good opportunities.

Bob Santo**-** Have you defined your target market?

Noah Bobrowsky**-** We think so. A combination of New Jersey, Massachusetts, Boston areas but there's also Stewart Airport which is expanding you know their flights to two different areas so maybe we'll capture some of that but, it definitely, just different communities in the Hudson Valley that want to come and check out this area you know people from Woodstock or maybe people from New Paltz, the greater Orange County area really like I said you know there's a hotel component but there's a law for just the regular person who wants to stop by and have a glass of wine or a good meal.

Chairman Crist**-** Can you tell us where you are with the planning board?

Noah Bobrowsky **-** We have been working closely with them and the various agencies. Estimated time frame might be to get all the approvals of course so we are you know we've been working very closely with them we've been working with the local fire departments to review all of our plans and all the right agencies to make sure that everyone is in a good place with our design. The planning board we're going to submit or re-submit our plans to them after the first round of consultant comments we're going to do that hopefully by the end of this week from there if that's efficient and answers all the Consultants concerns and comments then we'll hopefully move to a public hearing so you know we feel like we can move through this approval process in a couple months. From there you know we are waiting on some potential public grants so we can try to start any hard construction so you know we ask them a hard construction hopefully starting by January, and that would come with the full stabilization of the structure.

Chairman**-** Ashley any thoughts?

Ashley Torre**-** In terms of the Planning Board, are they the lead agency for the SEQR process and if the IDA has been approved as the lead agency. That way this Board doesn’t have to do its own environmental review.

Noah Bobrowsky**-** Yes, we do have a full EAF that we would be more than happy to share with you.

Bob Santo**-** Have you done projects like this before, you look young? My remark is because of your apparent youth, show me what you did before.

Noah Bobrowsky**-** I come from a real estate background, private-equity mainly so we know financing deals like this. My forte, I have a little bit of construction background experience as well for my earlier years if you can believe that but I was really brought into work with Michael Dorf you know specially to get this project across the line. Michael you know has a pretty established track record specifically in this area and with adaptive reuse projects in general. I know unfortunately they didn't pursue IDA benefits on the Montgomery City Winery project there's a few reasons why I believe his labor policy but you know I think for this project we have a different approach we're already working with tons of local contractors in local labor so you know it's not an issue for us here.

Chairman Crist**-** This is a project closely affiliated with City Winery and Michael Dorf?

Noah Bobrowsky**-** City Winery is a large shareholder of the project and closely and is closely associated. It’s an independent owned and branded property but again, they will be largely involved.

John Dickson- What kind of traffic do you anticipate?

Noah Bobrowsky**-** In terms of occupancy we will complete a traffic study, an actual traffic study right now to know specifically but the occupancy we are targeting let's say is like 60% for the hotel you know somewhere we think a little bit conservative but we know we're hoping the restaurant is fully busy 5 days a week or 6 days a week.

Felicia Kalan**-** Noah, can you expand further on the restaurant, farm to table concept for the Board?

Noah Bobrowsky**-** Part of the beauty of the Hudson Valley with all the local farms nearby I mean I enjoy them personally just going. You going to a beef farm and getting grass-fed meat right there so we want to kind of bring that to a larger audience. The plan for them at the restaurant is really to leverage local agricultural relationships as possible with different sources for produce and really a seasonal menu that's focused on local meats really as well as a plant-based menu with local ingredients.

Chairman Crist**-** Thank you for coming in Noah and we will review and provide a calendar of how we suggest to proceed. The next item today is KCE battery energy storage application, and we’ve received a revised and complete application. A couple of the representatives are here today and can make comments if they so desire. I’m hoping Board Member Tom Jones will be here shortly, he had some questions on the community benefits. I’m not sure where you are with the planning board, so we can align our time table appropriately. I understand you are back with planning board?

Mike Carella**-** With regard to the planning board progress, we received comments back and we should have comments back to them by the end of the week. As far as the SEQR determination, after deemed complete and ten to thirty days, best case scenario would be a week and then 30 more days, so that’s where we are with that, but there could be another round of comments.

Chairman Crist **-** Have you completed the public hearing process with planning board?

Mike Carella**-** We have not done the public hearing, it comes after the comments.

Chairman Crist- Any idea when that might be?

Mike Carella**-** We are targeting the next meeting this month, or the meeting, that would be October 11th would be more realistic, or the next meeting I believe on October 25th.

Chairman Crist**-** Any other comments? Part of the next steps will be assuring the application is complete and you have a public resolution to set the permission for the public hearing to be set. Leaving that up to myself, Executive Director and any Vice Chairs, we could consider passing that today without setting the date. Any question from anyone on this project as far as process, we will also need a public hearing. Ashley, will you speak to the deviation document which you helped write it looked good to me. When would that happen?

Ashley Torre**-** The document I prepared is a notice resolution authorizing the Executive Director to notify local authorities of a deviation from the PILOT, 30 days to get comments and the first step to authorize the notice whether or not to grant the deviation at a future time. Currently, we need the deviation because your UTEP policy doesn’t specifically address this type of project, so this application is requesting you treat them as a small-scale energy project.

Mike Carella**-** I will just say that on maybe on a megawatt basis it seems large but is very small so depending on how that is defined in your policy, it could be considered a small energy project. For example, if this was a solar farm this would be over a thousand acres for the equivalent amount of power, much larger footprint.

Chairman Crist**-** Ashley outlines variousbenefits not exclusive of additional ones that might be discovered on page 3 of the proposed notice of deviation. So, we could start the notice process with action today.

Ashley Torre**-** Yes, and part of that is the notice that goes to the taxing jurisdictions including the reasons why the applicant included the benefits and the reasoning we are considering. For the order of things, it should be the public hearing resolution and then the notice of deviation.

Bob Santo**-** Can you repeat that? So, you compared it to a 1,000-acre solar farm?

Mike Carella - This project right now is 169 megawatts of power, the equivalent solar would be over 1,000 megawatts. But, we aren’t storing power we aren’t generating.

Chairman Crist – But, once stored, it can be given back. It doesn’t seem like a public hearing for next month is appropriate, maybe in November? Just trying to figure out what makes sense. I’m considering public hearing notice and deviation resolution but looking for guidance from the Board, not much is being decided it’s just starting the process and seeking input considering the deviation notice.

Bob Santo- Do we need a motion?

Ashley Torre**-** Yes, and the question of whether the deviation is required I haven’t looked into that particular position, I haven’t looked further into the position of what is defined as small energy- the footprint vs the energy involved, that’s something to consider.

Chairman Crist**-** Since the first of its kind, at least in this region and town.

Mike Carella- I believe this would be the first in Orange County.

Chairman Crist**-** I would think the language deviation would be appropriate, if not required. It would seem to me to be a good idea to do it, not that we have to do it today. If the Board is good with that, not pushing for it. We would need a motion for the public hearing notice first to set the date at a later time with 10 days’ notice authorities’ leadership to set date.

Matt Stoddard**-** So you need a motion to set a date for the public hearing, am I correct on that?

Chairman Crist**-** Yes.

Matt Stoddard**-** I’ll make that motion.

Bob Santo**-** I second.

Chairman Crist- Second by Bob Santo, any other discussion on moving forward with the public hearing resolution. Does that need to be roll call, I’d ask how you will vote:

Roll Call:

John Dickinson- Aye

Matt Stoddard- Aye

Chairman Crist- Aye

Bob Santo- Aye

George DeClue - Aye

So, we have 5 approvals, one board member absent, so that would be adopted. On the PILOT deviation notice resolution, we can do that now that we have the deviation notice.

Ashley Torre**-** Yes, you can do it now if you want to set a date for November.

Chairman Crist**-** My thought on that would be not before November, but tentatively, so maybe we would just say the November IDA meeting and we need to clarify that it’s November 9th due to election day.

John Dickson**-** I’m good with moving it.

Chairman Crist- I believe the meeting date is already set.

Felicia Kalan**-** I believe the point of confusion is that the Tuesday of our regular meeting is election day, so when the calendar was made a different date was set, I believe it was Wednesday, November 9th but I need to clarify that and make sure that’s the case.

John Dickson- So the meeting would be the 9th?

Felicia Kalan**-** Yes.

Chairman Crist**-** I think that would be a potential if it aligns with planning board, look okay George?

Matt Stoddard**-** So I’m confused. Is there a problem with the day after the election day?

Chairman Crist**-** Trying to clarify which day our meeting was.

Ashley Torre**-** Your meeting schedule back in January was made for Wednesday, November 9th.

Chairman Crist**-** So, we can still be flexible on that date Ashley?

Ashley Torre**-** The resolution authorizes the notice, if you want to set the date that will facilitate getting those notices sent out.

Chairman Crist**-** One thing we’ve done in the past if things aren’t completed for public hearing process it can be open to the following meeting, we can get the process going. Board members can make a motion to accept the public hearing resolution.

Ashley Torre**-** Just needs to be a motion to set the public hearing date to November 9th.

John Dickson **-** I’ll make that motion.

Matt Stoddard- Second.

Chairman Crist- Motion made by John, seconded by Matt Stoddard.

Ashley Torre**-** No roll call is needed.

Chairman Crist**-** All in favor say aye, nobody against. Thank you. Onto the pilot deviation notice resolution to get that process started requires 30 days to hear back from town officials.

Ashley- Yes, 30 days from when they receive notice.

Chairman Crist**-** So, if we wait until next month, it might be a little tight for the 30 days. Might be good to get it going if everybody agrees. Can someone make that motion?

John Dickson**-** I will make that motion.

Chairman Crist**-** Motion by John Dickson. Seconded Bob Santo, thank you. This is for the notice of PILOT deviation in the form of resolution for the project. Any other discussion?

Roll Call:

John- Aye

Matt- Aye

Jeff-Aye

Bob Santo- Aye

George DeClue- Aye

That resolution is also passed with 1 absent.

Ashley Torre- I sent that through so that can go up on the website.

Chairman Crist**-** Lastly, as far as making the application complete Ashley you will review and we will as board members, but that doesn’t take formal action. I know a lot of work goes into the application, thank you for that. I know no permanent jobs but there are construction jobs and some contract and also proposed a community host agreement which I know from past experience we can’t require but if it’s part of the project I would say that’s a benefit we can consider.

Ashley- Is this with the Town?

Mike Carella**-** We need to reach out and set it up but we have mentioned but those conversations are still in the infancy, we will pursue.

John Dickson**-** I’d like to say the way the world is going with solar, it doesn’t run 24/7 so I think it’s smart to be on the forefront.

Chairman Crist**-** Good comment, that’s detailed further in appendix C.

Ashley Torre**-** I have questions on how you came up with the figures on percentage increase. Is there a written application explaining how you arrived to that number?

Rob Panasci- If you don’t think it’s sufficient, we can add more.

Ashley Torre**-** I don’t know how the figures were based on.

Rob Panasci**-** If we had to pay straight tax, that’s the number I can’t remember off the top of my head, how to get what it would be without.

Ashley Torre- Did you get it from the UTEP Policy?

Rob Panasci- No we came up with per megawatt such as in Stillwater and other counties.

Ashley Torre- Okay, maybe just an explanation of where those numbers came from on the application would be helpful.

Chairman Crist**-** Thank you for the explanation Rob - anything else to consider on this project. There is an EAF, but full review is being done with the planning board.

Ashley Torre**-** Yes, the IDA was on as an involved agency.

Felicia Kalan- Some of the concerns and clarification: would this application be able to move forward without IDA benefits?

Mike Carella**-** The economics are tight- without this deviation this project is dead. Solar and wind facilities have revenue certainty we don’t have. So, our economics are 100% based on a forecast you can pay consultants to tell you a number but there is a lot of risk taken out with margins that are thin, so without this assistance this project won’t move forward.

ChairmanCrist**-** There are other government incentives, if they are part of your economic process as well?

Mike Carella - There is a statewide incentive which is about 15%, but there is still 85% covered by revenues that are uncertain at this point.

ChairmanCrist**-** We know financial incentives are needed to get them going and our incentive for this project certainly ties in with that. Anything else? Thank you for coming out, look forward to going through the process. Next, we have the Executive Director Report.

6 - Felicia Kalan**-** Thank you. This highlights for the month of September, we did a riding tour visiting sites getting familiar with the sites. I did attend the RDAC fundraiser. The most important thing I’ve done is cost benefit analysis training, familiarizing myself with getting a new system down for that. I did complete that for the battery storage and 18 Leonard’s Drive projects. I’ve been to the airport site and this is the most appropriate site for the grant, I will follow up on this as well. The application isn’t yet available. I have reached out to all the village mayors and the interim superintendent, still waiting on some people to respond. I met with the Youth Employment program Executive Director, and I’m excited about workforce development and considering avenues to give back, and I’m attending the SUNY Economic Development Summit and welcome any members of the board to attend with me. I’ll be attending the EDC Fall Conference in Niagara Falls, I’ve had a conference call with Ryan, the Director of the EDC and they are our mouthpiece in Albany. I’m working on an Operations and Compliance update plan, I would love to get your feedback. I’d like to make a presentation in October, and look forward to your feedback. There is board training compliance it’s important to make that. As far as the 18 Leonard’s Drive, we were awaiting updates I don’t think the timeline is going to work out of what they had originally.

Ashley Torre**-** I don’t know where they stand now, I know we had asked for more information, there was back and forth as of now I don’t know.

Felicia Kalan**-** We would have put on a special meeting in 2 weeks to meet their deadlines, that’s all I have Mr. Chairman.

Chairman Crist**-** Thank you, questions or comments. Will you send out a draft before the next meeting?

Felicia Kalan - That’s definitely the plan, I’ll send out a draft and get your feedback. Right now, I’m part-time, and I’m set to go full-time in November.

Chairman Crist- I find it helpful to text when there is an e-mail that needs our attention, so if anyone prefers not to get those that’s fine. It’s a nice reminder. Other business? Onto the Financial Report with Matt Stoddard.

7 - Matt Stoddard**-** See attached Financial Report!

ChairmanCrist **-** What’s that dormant account?

Matt Stoddard**-** An old account, but together long before this board was here. We need to put that into the other accounts, am I correct?

AshleyTorre **-** That would be a question for the accountant.

Matt Stoddard **–** So, yourself and I need to look into this to move it into another account to see what can be done?

Ashley Torre**-** Whatever you decide you need the board’s approval, but you can report back next month.

Matt Stoddard - Can the Executive Director look into this?

Ashley Torre -I don’t know if the bank would speak to her.

Bob Santo- We went through this problem with the American Legion- the person who signed is dead, we had to get a court assigned order, we still have $17,000 in that account.

Chairman Crist - The Executive Director would not be a signer on the account, just help us manage what’s going on, just so she could see the account and see what activities going on.

Felicia Kalan -Whatever the board finds appropriate, I don’t want to be an authorizer but if I need to look into things for you, I would be happy to do so.

Chairman Crist**-** All in favor say aye. 5 in favor nobody opposed, 1 absent.

8 - Chairman Crist**-** Any other business? 2022 Economic Development Summit and the Board and Staff training day and see if there other training. Felicia can you mention the Ethics Form?

Felicia Kalan**-** You should see in your packet in Ethics Forms, required to be filled out this is the 2021 disclosure form, fill that out and we need to submit it as soon as possible. I’m working on a compliance schedule in the Ops Plan, need to find out when 2022 Disclosure are due the deadline for this year was before I was in this position.

Chairman Crist**-** Our next meeting will be Tuesday, October 11th. Please let us know if you will have an issue attending, activity next month might be more on the Milk Factory. Motion to adjourn.

Bob Santo**-** Proton mail- having issues. They changed something.

Felicia Kalan**-** It’s within my operations plan to get a new email provider.

Bob Santo**-** Did you read the headlines on the IDAs?

Chairman Crist**-** Pass around the article.

Bob Santo**-** I’ve invited president of the teacher’s union, superintendents. They get 80% of taxes, I’ve made it my business to get school board officials to attend a meeting, if I’m doing something wrong maybe not our business but Tower Holdings seems out of business. Any reports?

Chairman Crist **-** They are a project for us, certain stipulations in that agreement and we may need to recapture benefit. With COVID that project got changed, we need to address where they are going with that facility what’s being used isn’t what was originally be expected. In our annual report, we have to list each project and that they are compliant with the agreement, and we have one other in that category. Your communication with the school is fully encouraged, before Connor I had meetings with the Superintendents on various aspects of Medline and Amazon for discussion purposes, I think we do a good job of reaching out. As far as municipal leaders being involved, the Supervisor used to have a Board seat and the State ABO Directed public officials should not serve on public authorities. But it seems contrary to what the letter was saying should be done, another article suggests confusion on who signed the letter. Thank you for those comments.

Motion to adjourn.

John Dickson **–** I make that motion.

George DeClue **-** Second

Chairman- All in favor, none opposed.

9 - Meeting Adjourned.

Meeting minutes were transcribed and submitted by Meghan Hurlburt.